



## Irish Life Weekly Investment Bulletin

The week that was – WEEK 20 (ending 19/05/2017)

**“You cannot create experience. You must undergo it.” – Albert Camus**

**Ireland’s trade surplus hits a record €5bn with exports jump** – The latest trade statistics released by the CSO show a large rise of 10% in exports (to €11 billion) for March compared to March 2016 whereas imports fell by 15% in March (to €5.8 billion) giving a trade surplus of just over €5 billion, the highest on record.

**Eurozone consumer confidence hits near 10-year high** – The European Commission’s monthly consumer sentiment gauge rose 0.3 points to hit -3.3 in May, its best level since July 2007, the year before the onset of the global financial crisis. It hit an all-time high of 2.30 in May 2000 and a record low of -34.50 in March 2009.

**Global stock market down 0.5% on the week** – The MSCI AC World TR Index showed the first negative return in five weeks as it fell 0.47% from 12th May to 19th May. Markets were volatile during the week with the revelations that Donald Trump disclosed extremely sensitive intelligence to Russian officials during a meeting.

**Oil price rebounds after production cut extension** – Brent crude was back above \$53 and WTI higher than \$50 for the first time in a month after a joint Saudi-Arabia/Russia declaration to extend production cuts by 9 months rather than 6. This will still have to be confirmed at the 25 May OPEC summit by all stakeholders.

**U.K. unemployment rate at lowest level since 1975** – According to the latest data from the Office for National Statistics, unemployment fell to 4.6% in the three months to April, the lowest level since 1975. A total of 31.95 million people are now in work - the highest level on record – which is 74.8% of 16 to 64-year olds.

**Japan’s economy grows for fifth successive quarter** – The government’s Cabinet Office reported that gross domestic product increased by 2.2% in annualised terms in Quarter 1. The economy has now been expanding for a longer period than at any time since 2005-6, when it grew for six quarters in a row.

**The Story of the week:** A large, diamond ring is expected to fetch £350,000 at Sotheby's July auction after its owner paid £10 for it at a car boot sale 30 years ago, thinking it was a costume jewel. The “exceptionally-sized” stone was presumed not to be real because 19th Century diamonds were not cut to show off their brilliance like today's gems. The owner, unaware of its value, wore it for decades, while doing everything from the shopping to household chores. The 26.27 carat, cushion-shaped, white diamond was snapped up at a Sunday sale at the West Middlesex Hospital in Isleworth in west London in the 1980s. The auction house's head of London jewellery department Jessica Wyndham said the owner “also bought some designer dresses for about £10. We should have all been at the car boot sale!”

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# Index Performances and Market Data\*

<b>Equity Markets % (in Local Currency)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD (to 19/05)</b>
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	7.3
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	6.1
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	10.7
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	7.2
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	13.0
Nikkei 225	22.9	56.7	7.1	9.1	0.4	2.5
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	11.7
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	8.1
<b>Sovereign 10yr Bond Yields (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.4
UK	1.9	3.0	1.9	1.9	1.2	1.1
Japan	0.7	0.7	0.3	0.2	0.0	0.0
Ireland	4.5	3.4	1.3	1.1	0.7	0.8
Italy	4.6	4.1	2.1	1.6	1.8	2.1
Greece	12.7	8.2	9.6	7.9	7.1	5.7
Portugal	6.9	6.1	2.7	2.5	3.8	3.1
Spain	5.4	4.1	1.6	1.7	1.4	1.6
<b>Central Bank Rates (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
<b>Foreign Exchange Rates</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017 YTD</b>
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.12
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.86
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.30
<b>IPD All Property Return (%)</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	1.6% (to end of Q1)

\*Past performance is not a reliable guide to future performance